GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1718
ANSWERED ON:10.03.2017
Foreign Portfolio Investment
Antony Shri Anto

Will the Minister of FINANCE be pleased to state:

Will the Minister of FINANCE be pleased to state:
(a) whether the Government has any record regarding the inflow and outflow of Foreign Portfolio Investment (FPI) in the country during the last one year category and month-wise;
(b) whether it is a fact that during the months of November and December 2016 the country witnessed a negative net FPI;
(c) if so, the details thereof and the reasons therefor; and
(d) the corrective steps taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)
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(a) & (b): The details of net Foreign Portfolio Investments (FPI) made during the last one-year category and month-wise, are at Annexure.
(c) & (d): FPIs make their own investment decision. Some of the common factors that influence FPI investment include anticipated future returns out of the proposed investment, risk taking ability of the concerned FPI, financial, economic and monetary policy scenarios in its own jurisdiction and competitive markets, investment objective and mandate of the concerned FPI and other global macroeconomic and geopolitical factors.
Government in consultation with regulators has taken a number of steps to boost the inflow of foreign capital to the country. The limits for FPI in the Central Government securities are being increased in phases to reach 5 per cent of the outstanding stock by March 2018. FPIs are also permitted to invest in units of Real Estate Investment Trusts, Infrastructure Investment Trusts, Category III Alternative Investment Funds and Securitized Debt Instruments. Recently, Government has decided to introduce a common application form for registration, opening of bank and demat accounts, and issue of PAN for Foreign Portfolio Investors (FPIs) that will greatly enhance operational flexibility and ease of access to Indian capital markets.
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Annexure
Details of Net FPI Investments Asset-wise during last CY (2016) & CY (2017)
Month INR cr.
Equity Debt Total
Jan-16 -11,126 2,313 -8,814
Feb-16 -5,521 -8,195 -13,716
Mar-16 21,143 -1,476 19,667
Apr-16 8,416 6,418 14,834
May-16 2,543 -4,409 -1,866
Jun-16 3,713 -6,220 -2,507
Jul-16 12,612 6,845 19,457
Aug-16 9,071 -2,625 6,446
Sep-16 10,443 9,789 20,233
Oct-16 -4,306 -6,000 -10,306
Nov-16 -18,244 -21,152 -39,396
Dec-16 -8,176 -18,935 -27,111
Total - 2016 20,568 -43,647 -23,079
Jan-17 -1,177 -2,319 -3,496
Feb-17 9,902 5,960 15,862

Details of Net FPI Investments Category-wise during last CY (2016) & CY (2017)
Category-wise FPI net investments - CY 2016
S. No. Name of the category/sub-category Net Investments (INR cr.)
1 Mutual Fund 19,798
2 Broad Based Fund 18,628
3 Pension Fund 14,793
4 Foreign Governmental Agency 9,077
5 Insurance/Reinsurance Company 3,927
6 International or Multilateral Organization 3,543
7 Foreign Central Bank 2,012

8 Corporate Body 1,596
9 Endowment Fund 1,548
10 Investment Trust 1,050
12 Charitable Trust/Trustee of a Trust 1,181
13 Foundation 132
14 Foreign Individual 26
15 University Fund (126)
16 Charitable Society (144)
18 Sovereign Wealth Fund (6,636)
19 Asset Management Company (12,310)
20 Incorporated/Institutional Portfolio Manager (13,400)
21 Others (14,425)
22 Investment Manager/Advisor (24,596)
23 Bank (28,752)

Category-wise FPI net investments - CY 2017 (up to Feb, 2017)
S. No. Name of the category/sub-category Net Investments (INR cr.)
1 Investment Manager/Advisor 10,614
2 Broad Based Fund 5,086
3 Asset Management Company 1,332
4 Mutual Fund 890
5 Pension Fund 867
6 Bank 560
7 Incorporated/Institutional Portfolio Manager 427
8 Charitable Trust/Trustee of a Trust 375
9 Corporate Body 351
10 Insurance/Reinsurance Company 121
11 Foundation 37
12 Foreign Individual 10
13 Charitable Society 2
14 University Fund (81)
15 Foreign Central Bank (346)
16 Endowment Fund (389)
17 International or Multilateral Organization (440)
18 Investment Trust (744)
19 Others (1,496)
20 Foreign Governmental Agency (2,273)
21 Sovereign Wealth Fund (2,537)

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